**WHAT IS CLAIMED IS**

1. A method of providing long term local anesthesia, comprising administering to a subject in need of such treatment a liposomal local anesthetic formulation for slow release of said local anesthetic formulation:

Wherein said formulation is prepared by a dehydration-rehydration method, in which lyophilized liposomes encapsulating the local anesthetic are rehydrated by agitating in an aqueous medium followed by washing the rehydrated liposomes in hyperosmotic saline solution.

2. The method according to claim 1, wherein leakage of the local anesthetic from the liposomes is sufficient to produce long term local anesthetic effect.

3. The method of claim 1, wherein the local anesthetic is bupivacaine.

4. A method of preparing a liposomal drug composition having a high drug/lipid ratio, comprising the steps of encapsulating the drug in liposomes, lyophilizing the liposomes, rehydrating the lyophilized liposomes by agitating in an aqueous medium, and washing the rehydrated liposomes in hyperosmotic saline solution.

5. The method of claim 4, wherein the drug is a local anesthetic.

6. The method of claim 5, wherein the local

anesthetic is bupivacaine.

7. A liposomal local anesthetic composition having a high drug/lipid ratio, prepared by encapsulating the local anesthetic in liposomes, lyophilizing the liposomes, rehydrating the lyophilized liposomes by agitating in an aqueous medium, and washing the rehydrated liposomes in hyperosmotic saline solution.

8. The composition of claim 7, wherein the local anesthetic is bupivacaine.

9. The composition of claim 7, wherein the drug/lipid ratio is at least 0.33 mole/mole.

10. A liposomal local anesthetic composition having a drug/lipid ratio, wherein the local anesthetic is bupivacaine and the drug/lipid ratio is at least 0.33 mole/mole.